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GAIN Report

Global Agricultural Information Network

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Required Report - public distribution

Date: 10/30/2014

GAIN Report Number: JO14007

Jordan

Grain and Feed Annual

Jordan Grain and Feed Annual Report 2014

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Report Highlights:

Jordan's domestic production of cereals is negligible. This report covers Jordan's production, supply and demand of wheat, barley, corn and rice.

Executive Summary:

The Hashemite Kingdom of Jordan is among the poorest water resources countries on earth. Water scarcity is a real threat to the country's ability to grow crops. As a result, Jordan's domestic production of cereals is negligible. Jordan's total wheat imports for MY 2015/2016 are forecast to reach 915,000 MT, none of which is expected to be imported from the US. The major wheat suppliers are Black Sea sources. For the same period, Jordan's barley imports are expected to reach 850,000 MT, corn imports 550,000 MT, and rice imports at 185,000 MT of which 50 percent is of U.S. origin.

Commodities:

Wheat

Production:

Production of wheat is negligible in Jordan and would cover about three weeks of the country's annual consumption.

Consumption:

Wheat for human consumption is steady with a slight increase due to the ongoing presence of hundreds of thousands of Syrian refugees. Total consumption also includes wheat that is diverted for use as animal feed.

Jordan's total wheat consumption is approximately 915,000 MT per year. However, the influx of Syrian refugees, which began in early 2012, has increased the annual wheat consumption by approximately 200,000 MT (27%).

Trade:

In MY 2014/15 wheat imports were 850 TMT, the figure would likely to slightly increase by the natural growth of population and the abnormal increase by the influx of refugees.

Syrian refugees, estimated to be nearly 10 percent of the population (or slightly above 600,000 registered refugees) according to the UNHCR. Jordan's total population is approximately 6 million people. However, Government of Jordan (GOJ) officials believe the Syrian presence could now represent as much as 20 percent of the actual number of consumers. Economic pressures coupled with high C&F prices for U.S. wheat kept Black Sea wheat more competitive and the only source of wheat to Jordan in MY 2014/15 and now MY 2015/16.

Stocks: GOJ continues its policy of maintaining strategic stocks at 10 months of consumption to avoid any shortages. These are equivalent to 500,000 MT in storage silos and 200,000 on sea and at port

Policy:

Jordan's wheat bread, known as "unified bread" (in Arabic as *mowahad*), is fully subsidized by the government and all citizens are entitled to it. GOJ fixes the price of subsidized wheat so that bakeries sell subsidized bread at US\$ 0.22 per kg. To do so, the GOJ provides the bakeries with wheat flour extracted at a milling rate of 80 percent at US\$50 per MT, while the market cost for the wheat flour can rise to US\$535 per MT. Whenever there is an increase in the cost of an input used for making bread, such as fuel, the GOJ lowers the flour price to compensate for that increase, maintaining the subsidized price. There are no indications that the GOJ has plans to change its bread subsidy policy, despite media reports to the contrary.

Marketing: The Ministry of Industry and Trade (MIT) is the predominant wheat importer in Jordan

Production, Supply and Demand Data Statistics:

The already minimal level of production is expected to decline further due to persistent drought, land desertification, and losses of land to other uses.

For now, an increase in demand is expected due to continued economic hardship, the continued and likely expanded presence of Syrian refugees, and also the use of some flour in the market by some humanitarian relief agencies to feed Syrians on the border areas.

Wheat Jordan	2013/2014		2014/2015		2015/2016	
	Market Year Begin: Jul 2013		Market Year Begin: Jul 2014		Market Year Begin: Jul 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	15	15	15	15		15
Beginning Stocks	433	433	392	621		561
Production	15	15	20	15		15
MY Imports	839	1,100	900	852		850
TY Imports	839	1,100	900	852		850
TY Imp. from U.S.	0		0	0		0
Total Supply	1,287	1,548	1,312	1,488		1,426
MY Exports	10	12	0	9		10
TY Exports	10	12	0	9		10
Feed and Residual	10	15	10	13		15
FSI Consumption	875	900	900	905		900
Total Consumption	885	915	910	918		915
Ending Stocks	392	621	402	561		501
Total Distribution	1,287	1,548	1,312	1,488		1,426
1000 HA, 1000 MT, MT/HA						

Commodities:

Barley

Production:

Production of barley is negligible. Most barley is used for animal feed at early growth stages.

Consumption:

Barley is mainly used for sheep feed and to a lesser extent for dairy cattle and poultry. Barley use has dropped significantly after the GOJ adopted the animal tag system. Each sheep herder now receives subsidized barley according to the actual number of tagged animals. As a result, corruption has decreased substantially.

Trade:

MY 2015/16, total imports are expected to increase 6 percent to 850,000 MT a year. Barley suppliers are mainly Black Sea countries. No barley imports from the U.S. have been recorded for a decade. The GOJ has been the main importer of barley and sets the selling price.

Stocks:

The ending stocks in MY 2014/2015 were 400,000 MT in inland and port silos. This amount, in addition to the purchased and contracted amounts, exceeds the 10 months of Jordan's consumption needs.

Policy:

Only sheep and goat owners receive subsidized barley. This program excludes cattle and poultry farmers from receiving subsidized barley as these two agricultural subsectors are considered industries. The GOJ animal tagging project has created a reliable database on all ruminant animals in Jordan, replacing the questionable animal census.

Marketing:

The Ministry of Industry and Trade (MIT) is the predominant barley importer in Jordan.

Production, Supply and Demand Data Statistics:

Barley Jordan	2013/2014		2014/2015		2015/2016	
	Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		Market Year Begin: Jan 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	30	30	20	30		30
Beginning Stocks	335	335	464	400		400
Production	20	15	15	15		15
MY Imports	1,009	900	650	800		850
TY Imports	950	900	650	800		850
TY Imp. from U.S.	0	0	0	0		0
Total Supply	1,364	1,250	1,129	1,215		1,265
MY Exports	0	0	0	0		0
TY Exports	0	0	0	0		0
Feed and Residual	900	850	850	815		850
FSI Consumption	0	0	0			
Total Consumption	900	850	850	815		850
Ending Stocks	464	400	279	400		415
Total Distribution	1,364	1,250	1,129	1,215		1,265
1000 HA, 1000 MT, MT/HA						

Commodities:

Corn

Production:

Jordan's corn production is negligible, with annual production totaling less than 10,000 MT. Any corn that is domestically produced is for human consumption as corn on the cob.

Consumption:

Corn consumption is forecast to be 545,000 MT MY15

Trade:

Jordan's imports of corn have increased, corresponding to the growth in the poultry, dairy and table egg sectors . Jordan's poultry industry is considered the biggest agri-business sector in Jordan, with an investment value of around USD 2.5 billion. The Jordan-U.S. Free Trade Agreement no longer provides an advantage for U.S. corn, as all imported corn is exempt from tariffs.

Only a nominal amount of corn is stored on-farm by poultry farmers.

There are no restrictions on corn trade in Jordan, and specifications for corn are similar to U.S. standards.

Production, Supply and Demand Data Statistics:

Corn Jordan	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1	1	1	1	1	1
Beginning Stocks	30	30	33	60	23	49
Production	10	10	10	10	5	10
MY Imports	371	584	450	545	550	550
TY Imports	371	584	450	545	550	550
TY Imp. from U.S.	0	11	0	16	0	25
Total Supply	411	624	493	615	578	609
MY Exports	18	24	10	26	10	25
TY Exports	18	24	10	26	10	25
Feed and Residual	350	530	450	530	500	535
FSI Consumption	10	10	10	10	10	10
Total Consumption	360	540	460	540	510	545
Ending Stocks	33	60	23	49	58	39
Total Distribution	411	624	493	615	578	609

1000 HA, 1000 MT, MT/HA

Commodities:

Rice, Milled

Production:

Being the fourth driest country in the world, Jordan does not produce rice at all.

Consumption:

Rice is a staple of the Jordanian diet. Average annual consumption is about 27 kg per person. The preferred variety is medium grain (Camolino), which constitutes 90 percent of imports.

Trade:

U.S. market share for rice is expected to remain steady in MY 2014/15 at nearly 60 percent of Jordan's market share for medium grain rice. Other major rice suppliers include Thailand, India and Turkey.

Stocks:

No stocks are maintained for this commodity.

Policy:

There are no restrictions on rice trade in Jordan, and specifications are similar to U.S. standards.

Marketing:

Rice in Jordan is imported and distributed through private sector traders in a market based system.

Production, Supply and Demand Data Statistics:

Rice, Milled Jordan	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		Market Year Begin: Jan 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	20	20	10	22	10	17
Milled Production	0	0	0	0	0	0
Rough Production	0	0	0	0	0	0
Milling Rate (.9999)	0		0		0	0
MY Imports	190	189	200	185	200	185
TY Imports	190	151	200	185	200	185
TY Imp. from U.S.	88	80	0	110	0	110
Total Supply	210	209	210	207	210	202
MY Exports	0	2	0	5	0	5
TY Exports	0	2	0	5	0	5
Consumption and Residual	200	185	200	185	200	185
Ending Stocks	10	22	10	17	10	12
Total Distribution	210	209	210	207	210	202

1000 HA, 1000 MT, MT/HA

